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By Glen O. Lewin

FILED MAR 08 1999 <u>H</u>J.R. No. 69

#### A JOINT RESOLUTION

proposing a constitutional amendment permitting a political subdivision to purchase property and casualty insurance from certain mutual insurance companies.

BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 52(a), Article III, Texas Constitution, is amended to read as follows:

(a) Except as otherwise provided by this section, the Legislature shall have no power to authorize any county, city, town or other political corporation or subdivision of the State to lend its credit or to grant public money or thing of value in aid of, or to any individual, association or corporation whatsoever, or to become a stockholder in such corporation, association or company. However, this section does not prohibit the use of public funds or credit for the payment of premiums on nonassessable property and casualty, life, health, or accident insurance policies and annuity contracts issued by a mutual insurance company authorized to do business in this State.

SECTION 2. This proposed constitutional amendment shall be submitted to the voters at an election to be held on November 2, 1999. The ballot shall be printed to permit voting for or against the proposition: "The constitutional amendment permitting a political subdivision to purchase nonassessable property and casualty insurance from an authorized mutual insurance company in the same manner that the political subdivision purchases life,

# HOUSE COMMITTEE REPORT



### 1st Printing

By Lewis of Tarrant

H.J.R. No. 69

#### A JOINT RESOLUTION

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## **COMMITTEE REPORT**

### The Honorable James E. "Pete" Laney Speaker of the House of Representatives

3-31-99 (date)

OII,				
We, your COMMITTEE ON CO	OUNTY AFFAIRS			
to whom was referredback with the recommendation	HJR 69 that it	have had th	e same under consider	ation and beg to repor
( ) do pass, without amendment ( ) do pass, with amendment ( ) do pass and be not printed	ent. (s)	ee Substitute is recom	mandad in lieu of the annual	ente di
(V) yes ( ) no A fiscal not	e was requested.		mended in field of the of	iginai measure.
	ustice policy impact sta	atement was requested	1	
( ) yes ( 4 no An equalize	ed educational funding	impact statement was	roquested	
( ) yes ( 4) no An actuaria	Il analysis was request	ed.	requesteu.	
( ) yes ( no A water dev	velopment policy impac	ct statement was reque	setad	
( ) yes (L) no A tax equity	/ note was requested.	a statement was reque	sieu.	
( ) The Committee recommend		sent to the Committee	e on Local and Conson	t Colondoro
For Senate Measures: House S	Sponsor		o on Local and Consen	Calendars.
Joint Sponsors:				
Co-Sponsors:				· ·
The measure was reported from	Committee by the follow	owing vote.		
	AYE	NAY	PNV	ABSENT
Ramsay, Chair				/IBOZIVI
Lewis, G., Vice-chair	V			
Brown, B.				
Chisum	V			
Farabee	V			
Hilderbran				1/
Krusee				
Salinas				
Swinford	V			
		$\mathcal{A}$		
Total a	ıye	1	11/	
$\wedge$	ay ay	(//m	1 Kams	al
$\wedge$	resent, not voting	CHAIR		<del></del>
7	bsent			

#### **BILL ANALYSIS**

Office of House Bill Analysis

H.J.R. 69 By: Lewis, Glenn County Affairs 3/29/1999 Introduced

#### BACKGROUND AND PURPOSE

Before it was amended in 1986, Article III, Section 52(a) of the Texas Constitution prohibited counties, cities, towns, or other political subdivisions (entity) from becoming stockholders in any association, corporation, or company. Since mutual insurance companies are corporations, and their policy holders own the insurance company, such entities were prohibited from using public funds to purchase insurance contracts or annuity contracts from mutual insurance companies. The 1986 amendment provided an exception which allows the use of public funds or credit for the payment of premiums on nonassessable life, health, and accident insurance issued by mutual insurance companies. As proposed, H.J.R. 69 requires the submission to the voters of a constitutional amendment allowing nonassessable property and casualty insurance policies to be purchased with public funds or credit.

### **RULEMAKING AUTHORITY**

It is the opinion of the Office of House Bill Analysis that this bill does not expressly delegate any additional rulemaking authority to a state officer, department, agency, or institution.

#### SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 52(a), Article III, Texas Constitution, to include the premiums on nonassessable property and casualty insurance policies among those that are not prohibited under this section (Counties, Cities or Other Political Corporations or Subdivisions; Lending Credit; Grants; Bonds) from being paid for by public funds or credit.

SECTION 2. Requires this proposed constitutional amendment to be submitted to the voters at an election to be held November 2, 1999. Sets forth the required language for the ballot.

#### SUMMARY OF COMMITTEE ACTION

HJR 69

March 31, 1999 8:00AM or upon adjournment Considered in public hearing Testimony taken in committee Reported favorably without amendment(s)

#### WITNESS LIST

HJR 69 HOUSE COMMITTEE REPORT County Affairs Committee

March 31, 1999 - 8:00AM
For: Cobb, Ronald H. (American Insurance Association)

# LEGISLATIVE BUDGET BOARD Austin, Texas

### FISCAL NOTE, 76th Regular Session

March 30, 1999

TO: Honorable Tom Ramsay, Chair, House Committee on County Affairs

FROM: John Keel, Director, Legislative Budget Board

IN RE: HJR 69 by Lewis, Glenn (Proposing a constitutional amendment permitting a political subdivision to purchase property and casualty insurance from certain mutual insurance companies.), As Introduced

No significant fiscal implication to the State is anticipated, other than the cost of publication.

The cost to the state for publication of the resolution is \$76,352.

### **Local Government Impact**

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 454 Department of Insurance, 304 Comptroller of Public Accounts

LBB Staff: JK, TL

By: Lewis of Tarrant (Senate Sponsor - Harris) H.J.R. No. 69

(In the Senate - Received from the House May 3, 1999;

May 4, 1999, read first time and referred to Committee on Intergovernmental Relations; May 13, 1999, reported favorably by the following vote: Yeas 5, Nays 0; May 13, 1999, sent to printer.)

#### HOUSE JOINT RESOLUTION

proposing a constitutional amendment permitting a political subdivision to purchase property and casualty insurance from certain mutual insurance companies.

BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF TEXAS:

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SECTION 2. This proposed constitutional amendment shall be submitted to the voters at an election to be held on November 2, 1999. The ballot shall be printed to permit voting for or against the proposition: "The constitutional amendment permitting a political subdivision to purchase nonassessable property and casualty insurance from an authorized mutual insurance company in the same manner that the political subdivision purchases life, health, and accident insurance."

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# FAVORABLE SENATE COMMITTEE REPORT ON

SB	SCR		SR	НВ	HÇR	HJR	69	
		By	ew	l 7 /	Ha or/Senaté	MS	·	
				5	-13	-99		
					(date)			

Sir:		
We, your Committee on INTERGOVER	NMENT	CAL RELATIONS , to which was referred the attached measure
have on 5-12-99		had the same under consideration and I am instructed to report it
(date of hearing) back with the recommendation (s) that it		•
(V) do pass and be printed		
() do pass and be ordered not printed		
and is recommended for placement on	the Loca	al and Uncontested Bills Calendar.
A fiscal note was requested.	_	() no
A revised fiscal note was requested.	() yes	() po
An actuarial analysis was requested.	() yes	( <u>) 200</u>
Considered by subcommittee.	() yes	(1)20
The measure was reported from Committee	e by the	following vote:

	YEA	NAY	ABSENT	PNV
Senator Frank Madla, Chairman				
Senator Jon Lindsay, Vice-Chairman		W W		
Senator Rodney Ellis	$\overline{\nu}$			
Senator Mike Moncrief	V /	,		
Senator Drew Nixon	i i			
TOTAL VOTES		0		<u></u>

### **COMMITTEE ACTION**

S260 Considered in public hearing S270 Pestimony taken	Frank Madh
COMMITTEE CLERK	CHAIRMAN

Paper clip the original and one copy of this signed form to the original bill Retain one copy of this form for Committee files

#### WITNESS LIST

HJR 69 SENATE COMMITTEE REPORT Intergovernmental Relations Committee

May 12, 1999 - 8:00A
 Registering, but not testifying:
 For: McFarland, Bob (American Ins. Assoc.), Austin

#### **BILL ANALYSIS**

Senate Research Center 76R7981 DB-F

H.J.R. 69 By: Lewis, Glenn (Harris) Intergovernmental Relations 5/11/1999 Engrossed

#### **DIGEST**

Currently, political subdivisions are allowed to buy most insurance policies from mutual insurance companies, except for property and casualty lines, although not nonassessable property and casualty policies. If it were possible to purchase such insurance policies from mutual insurance companies, competitive bidding could reduce the cost of buying policies for taxpayers. H.J.R. 69 requires the submission to the voters of a constitutional amendment to permit a political subdivision to purchase certain nonassessable insurance from an authorized mutual insurance company in the same manner that other insurance is purchased.

#### **PURPOSE**

As proposed, H.J.R. 69 requires the submission to the voters of a constitutional amendment to permit a political subdivision to purchase certain nonassessable insurance from an authorized mutual insurance company in the same manner that other insurance is purchased.

#### **RULEMAKING AUTHORITY**

This bill does not grant any additional rulemaking authority to a state officer, institution, or agency.

#### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Section 52(a), Article III, Texas Constitution, to allow property and casualty insurance policy premiums to be paid through public funds or credits.

SECTION 2. Requires this constitutional amendment to be submitted to the voters at an election to be held on November 2, 1999. Sets forth the required language for the ballot.

# LEGISLATIVE BUDGET BOARD Austin, Texas

#### FISCAL NOTE, 76th Regular Session

May 10, 1999

TO: Honorable Frank Madla, Chair, Senate Committee on Intergovernmental Relations

FROM: John Keel, Director, Legislative Budget Board

IN RE: HJR 69 by Lewis, Glenn (Proposing a constitutional amendment permitting a political subdivision to purchase property and casualty insurance from certain mutual insurance companies.), As Engrossed

No significant fiscal implication to the State is anticipated, other than the cost of publication.

The cost to the state for publication of the resolution is \$76,352.

#### **Local Government Impact**

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 454 Department of Insurance, 304 Comptroller of Public Accounts

LBB Staff: JK, TL

# LEGISLATIVE BUDGET BOARD Austin, Texas

#### FISCAL NOTE, 76th Regular Session

March 30, 1999

TO: Honorable Tom Ramsay, Chair, House Committee on County Affairs

FROM: John Keel, Director, Legislative Budget Board

IN RE: HJR 69 by Lewis, Glenn (Proposing a constitutional amendment permitting a political subdivision to purchase property and casualty insurance from certain mutual insurance companies.), As Introduced

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LBB Staff: JK, TL

# **ENROLLED**

H.J.R. No. 69

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H.J.R. No. 69

health, and accident insurance."

H.J.R. No. 69

ent of the Senate	Speaker of the House
tify that H.J.R. No.	69 was passed by the House on May
by the following vote	e: Yeas 139, Nays 1, 2 present, not
	Chief Clerk of the House
tify that H.J.R. No.	69 was passed by the Senate on May: Yeas 30, Nays 0.
	Secretary of the Senate
	_
Date	
	tify that H.J.R. No. by the following vot

Presider	nt of the Senate	Speaker of the House
I cert  May  Yeas 139	(2)	No. $\frac{69}{(1)}$ was passed by the House on, 1999, by the following vote:  2 present, not ustrug  (4)
(3)	-	Chief Clerk of the House
	6y 18 -	No. 69 was passed by the Senate on
(6)	-	(7)
		Secretary of the Senate
RECEIVED:	Date	
	<i>5</i> 400	
•	Secretary of S	State

\*\*\*\* Preparation: CT23;

#### **76TH LEGISLATURE**

COAUTHOR AUTHORIZATION
(please request your coauthors to sign this form in lieu of the front or the back of the original bill)

For chief clerk use only

Bill or Resolution Number HOR 69

signature of primary author

Chean hewis
printed name of primary author

PERMISSION TO SIGN _	HJR 60	HAS BEEN GIV	EN TO (check	only one of the following	g):
ALL REPRESEN	(bill or resolu	tion #)			
• •		TATIVE(S):			
<del></del>					
I authorize the Chief Clerk	to include my	name as a coauthor of the le	egislation indic	ated above:	
A2120 Alexander	Date	A2600 Counts	Date	A2795 Farabee	Date
A2115 Allen	Date	A2605 Crabb	Date	A2810 Farrar	Date
A2105 Alvarado	Date	A2610 Craddick	Date	A2840 Flores	Date
A2135 Averitt	Date	A2615 Crownover	Date	A2920 Gallego	Date
A2160 Bailey	Date	A2645 Cuellar	Date	A2930 Garcia	Date
A2205 Berman	Date	A2635 Culberson	Date	A2940 George	Date
A2250 Bonnen	Date	A2670 Danburg	Date	A2935 Giddings	Date
A2275 Bosse	Date	A2620 Davis, John	Date	A2880 Glaze	Date
A2260 Brimer	Date	A2625 Davis, Yvonne	Date	A2985 Goodman	Date
A2265 Brown, Betty	Date	A2680 Delisi	Date	A2990 Goolsby	Date
A2270 Brown, Fred	Date	A3385 Denny	Date	A3005 Gray	Date
A2255 Burnam	Date	A2690 Deshotel	Date	A3000 Green	Date
A2300 Capelo	Date	A2705 Driver	Date	A3010 Greenberg	Date
A2400 Carter	Date	A2665 Dukes	Date	A3020 Grusendorf	Date
A2585 Chavez	Date	A2660 Dunnam	Date	A3030 Gutierrez	Date
A2480 Chisum	Date	A2650 Dutton	Date	A3035 Haggerty	Date
A2525 Christian	Date	A2770 Edwards	Date	A2695 Hamric	Date
A2520 Clark	Date	A2760 Ehrhardt	Date	A3160 Hardcastle	Date
A2435 Coleman	Date	A2775 Eiland	Date	A3170 Hartnett	Date
A2565 Cook	Date	A2785 Elkins	Date	A3345 Hawley	Date
A2595 Corte	Date	A2790 Ellis, Dan	Date	A3180 Heflin	Date

A3310 Hilbert	Date	A3715 Madden	Date	A4435 Shields	Date
A3250 Hilderbran	Date	A3750 Marchant	Date	A4445 Siebert	Date
A3275 Hill	Date	A2700 Maxey	Date	A4525 Smith	Date
A3270 Hinojosa	Date	A3665 McCall	Date	A4530 Smithee	Date
A3305 Hochberg	Date	A3650 McClendon	Date	A4550 Solis, Jim	Date
A3290 Hodge	Date	A3845 McReynolds	Date	A4560 Solis, Juan	Date
A3325 Homer	Date	A3840 Merritt	Date	A4505 Solomons	Date
A3320 Hope	Date	A3855 Moreno, Joe	Date	A4515 Staples	Date
A3315 Howard	Date	A3860 Moreno, Paul	Date	A4570 Swinford	Date
A3355 Hunter	Date	A3870 Morrison	Date	A4585 Talton	Date
A3360 Hupp	Date	A3865 Mowery	Date	A4605 Telford	Date
A3375 Isett	Date	A3885 Naishtat	Date	A4630 Thompson	Date
A3415 Janek	Date	A3890 Najera	Date	A4635 Tillery	Date
A3410 Jones, Charles	Date	A3895 Nixon, Joe	Date	A4650 Truitt	Date
A3405 Jones, Delwin	Date	A3900 Noriega	Date	A2730 Turner, Bob	Date
					D-4-
A3400 Jones, Jesse	Date	A3880 Oliveira	Date	A4685 Turner, Sylvester	Date
A3440 Junell	Date	A3886 Olivo	Date	A4690 Uher	Date
A3475 Keel	Date	A4010 Palmer	Date	A4695 Uresti	Date
A3480 Keffer	Date	A4180 Pickett	Date	A4720 Van de Putte	Date
A3470 King, Phil	Date	A4185 Pitts	Date	A4990 Walker	Date
A3465 King, Tracy	Date	A4200 Puente	Date	A4995 West, George "Buddy"	Date
A3485 Krusee	Date	A4210 Ramsay	Date	A5035 Williams	Date
A3450 Kuempel	Date	A4240 Rangel	Date	A5000 Wilson	Date
A3510 Laney	Date	A4245 Reyna, Arthur	Date	A5020 Wise	Date
A3520 Lengefeld	Date	A4236 Reyna, Elvira	Date	A5015 Wohlgemuth	Date
A3605 Lewis, Glenn	Date	A4250 Ritter	Date	A4980 Wolens	Date
A3600 Lewis, Ron	Date	A4370 Sadler	Date	A5005 Woolley	Date
A3615 Longoria	Date	A4380 Salinas	Date	A5025 Yarbrough	Date
A3620 Luna,Vilma	Date	A4420 Seaman	Date	A5040 Zbranek	Date

H.J.R. No. 6

By Glem Q. Lewis

Proposing a constitutional amendment permitting a political subdivision to purchase property and casualty insurance from certain mutual insurance companies.

MAR 0 \$ 1999	Filed with the Chief Clerk
MAR 1 0 1999	Read first time and referred to Committee on
WD 24 1000	Reportedfavorably (constant)
APR 0 7 1999	_ Sent to Committee on Calendars
MAY 03 1999	Read second time (commodate.) (annual) and adopted (combodate trading) by a record vote of 139 yeas, 1 nays, 2 present, not voting
	Read third time (amended) and finally adopted (failed of adoption) by a record vote of yeas, nays, present, not voting
MAY 0 3 1999	_ Engrossed
MAY 0.3 1999	Sent to Senate  Sent to Senate  CHIEF CLERK OF THE HOUSE
OTHER HOUSE ACTI	ON:
MAY 0 3 1999	Received from the House
MAY 0 4 1999	Read and referred to Committee onINTERGOVERNMENTAL RELATIONS
MAY 1 3 1999	Reported favorably
	Reported adversely, with favorable Committee Substitute; Committee Substitute read first time
**************************************	Ordered not printed
	Laid before the Senate
MAY 1 8 1999	Senate and Constitutional Rules to permit consideration suspended by (unanimous consent) nays)
MAY 1 8 1999	Read second time,, and passed to third reading by (manimous consent)  (a viva voce vote)  (
MAY 1 3 1999	Senate and Constitutional 3 Day Rules suspended by a vote of 30 yeas, 0 nays
WAY 1 = 1999	Read third time,, and passed by 30 yeas, 0 nays
May 18, 1959	Returned to the House
OTHER SENATE ACT	

MAY 1 8 1999	Returned from the Senate (as substituted) (with uncondensate)
	House concurred in Senate amendments by a (non-record vote)  (record vote of
<b>198</b> 0 (1980)	House refused to concur in Senate amendments and requested the appointment of a conference committee by a (non-record vote) (record vote of
who to the control of	Senate granted House request. Senate conferees appointed:, Chair
	·
	Conference committee report adopted (rejected) by the House by a record vote of yeas, nays, present, not voting
	Conference committee report adopted (rejected) by the Senate by a record vote of

KO.

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